



**MASTER BUILDERS
AUSTRALIA**

Supplementary Submission by

MASTER BUILDERS AUSTRALIA

to the

House of Representatives Standing Committee

on

**Employment and Workplace Relations re
'Inquiry into Employment: increasing participation in paid
work'**

**Mature Age and Adult Apprenticeships in the Building and
Construction Industry**

March 2004

Master Builders Australia Inc ABN 701 3422 100

1.0 Introduction

- 1.1 This supplementary submission is made by Master Builders Australia Inc (Master Builders).
- 1.2 As indicated during oral evidence to the Committee, Master Builders represents the interests of all sectors of the building and construction industry. Master Builders consists of nine State and Territory Builders' Associations with over 24,000 members. The building and construction industry contributes \$72 billion of economic activity annually to the Australian economy.
- 1.3 This submission is made in addition to a submission provided to the Committee in September 2003 (submission 61 on its website) and the oral evidence provided on 3 March 2004.

2.0 Purpose of the Submission

- 2.1 At page 17-18 of the Hansard from 3 March 2004, the Chairman raised with Master Builders' witnesses questions about mature age and adult apprentices. He asked for details of the industry's experience with mature aged and adult apprenticeships. The question was taken on notice.
- 2.2 This submission responds to the question by providing data on adult and mature age apprentices. In addition material relating to impediments to their engagement is provided.

3.0 Statistical Analysis

- 3.1 The incidence of mature aged apprentices and trainees in the building and construction industry is low. Currently, there are 32,790 apprentices and trainees in training as at 30 June 2003 and of these only 80 apprentices are in the age bracket 45 to 54 (.26% of total apprentice numbers) with a further 10 in the age bracket 55 to 64 (.03%).
- 3.2 Table 1 provides full details of the age of traditional apprentices and trainees from 1997 to June 2003. Considering the figures in Table 1, the largest cohort of traditional apprentices 15,490 (51%) are 19 years of age or younger with a further 11,740 (38.66%) in the age bracket 20-24. The balance, 3050 (10.04%) is in the age bracket 25-44. A similar trend is shown in regard to trainees with

890 (36.78%) aged 19 or younger followed by 1220 (50.41%) in the age bracket 20-24. The balance of 310 (12.81%) is in the age bracket 25-44.

3.3 Table 1 shows that in relative terms little has changed since 1997 in regard to the numbers of apprentices joining the industry in their mature years. The take up of traditional apprenticeships and traineeships in the age bracket 25-44, however, stands at 3360 (10.25% of total indentures) more than double the number in 1997. The nature of the work and industrial relations impediments serve to discourage older workers from joining the industry and so this level of adult apprentice numbers is not expected to increase further.

TABLE 1

Apprentices and trainees in training at 30 June 1997-2003 by ASCO 44 by Age Australia (Based on December 2003 estimates)

ASCO 44 – Construction Tradespersons		As at 30 June 2003							2003	%
		1997	1998	1999	2000	2001	2002			
Traditional apprenticeship	Age 19 and under	9,870	11,030	13,050	15,180	13,640	14,230	15,490	51.00	
	Age 20-24	9,170	8,610	8,740	10,350	10,900	11,370	11,740	38.66	
	Age 25-44	1,350	1,440	1,620	2,130	2,360	2,780	3,050	10.04	
	Age 45-54	20	20	30	40	50	60	80	0.26	
	Age 55-64	0	0	0	0	0	0	10	0.03	
	Age 65 or over	0	0	0	0	0	0	0	0.00	
	Total	20,410	21,100	23,440	27,700	26,950	28,440	30,370		
Other	Age 19 and under	1,680	1,180	1,190	1,220	1,010	1,030	890	36.78	
	Age 20-24	2,080	1,710	1,440	1,330	1,340	1,490	1,220	50.41	
	Age 25-44	300	280	340	370	340	370	310	12.81	
	Age 45-54	0	0	0	10	20	0	0	0.00	
	Age 55-64	0	0	0	0	0	0	0	0.00	
	Age 65 or over	0	0	0	0	0	0	0	0.00	
	Total	4,060	3,170	2,970	2,930	2,710	2,890	2,420		
Total	Age 19 and under	11,550	12,210	14,240	16,400	14,650	15,260	16,380	49.95	
	Age 20-24	11,250	10,320	10,180	11,680	12,240	12,860	12,960	39.52	
	Age 25-44	1,650	1,720	1,960	2,500	2,700	3,150	3,360	10.25	
	Age 45-54	20	20	30	50	70	60	80	0.24	
	Age 55-64	0	0	0	0	0	0	10	0.03	
	Age 65 or over	0	0	0	0	0	0	0	0.00	
	Total	24,470	24,270	26,410	30,630	29,660	31,330	32,790		

Due to rounding some figures may not sum

Source: National Centre for Vocational Education Research

4.0 Overall Strategy for Assisting Older Workers

- 4.1 The need to develop a more responsive education and training system to enhance the skills of older workers is a priority for industry. Currently there is no clear strategy to target existing mature age workers to enhance their skills and productivity. There is additional urgency in developing this approach given the impact of new and emerging technologies (such as tilt up construction), the lack of post-compulsory qualifications held by mature age workers, and the need for some mature age people to update their skills as they move employment.
- 4.2 The building industry, like other industries, has industry advisory arrangements which advise the Australian National Training Authority about initiatives that need to be taken to facilitate mature age employment and training opportunities. However, the array of data available from government departments and other agencies needs to be brought together to better inform future vocational, education and training products. This will allow the industry to better determine labour market trends and allow matching training arrangements to be put in place.
- 4.3 In our original submission, Master Builders advocated the establishment of a learning bonus which would essentially provide some form of financial assistance for existing workers to undertake training in the formal training system. The bonus would apply not only at the formal new apprenticeship level but for any recognised training above AQF level 3.

5.0 Workplace Impediments

- 5.1 In regard to workplace impediments that exist, it is noted that the National Building and Construction Industry Award 2000 does not contain part time provisions. Such provisions would encourage mature age employment and are currently being pursued in the Australian Industrial Relations Commission as a counterclaim in the ACTU's work and family test case.
- 5.2 There is a need to provide improved assistance to inform mature age job seekers of the range of vocations and retraining opportunities that may exist. Employers also need to be encouraged to recognise the important contribution that can be made to their enterprise by availing themselves of the skills and experience and work ethic of older Australians. This is a question of industry

and Government leaders continuing to communicate about the need to retain and retrain older workers.

- 5.3 The issue of wage rates is one which is potentially problematic. Apprenticeship wages are at lower levels than “adult” wages in order to reflect the lack of workplace productivity when workers are in the initial years of training. In some States, this factor is ameliorated for adults via different wage rates for adult apprentices. It is not, however, the policy of Master Builders to encourage higher rates for adult apprentices as these Award rates are minimum safety net rates and there is of course the ability to pay higher than the minimum rate where an individual worker’s productivity justifies that decision.
- 5.4 Tables 2 and 3 show a comparison of the wage rates on site in New South Wales for junior apprentices employed as carpenters, joiners, bricklayers, painters, solid plasterers, stonemasons and tilayers compared with adult apprentices in the same occupations.

TABLE 2

Wage Rates for Junior Apprentices

Building and Construction Industry (State) Award NSW

Carpentry and Joinery, Bricklayers, Painters, Solid Plasterers, Stonemasons, Tilelayers

	Base Rate per week \$	Industry Allowance per week \$	Special Allowance per week \$	Total Per Week (Excluding Tool Allowance) \$
(i) Indentured Apprentices				
First year	180.30	20.40	17.10	217.80
Second year	263.30	20.40	25.30	309.00
Third year	348.90	20.40	32.50	401.80
Fourth year	408.70	20.40	38.70	467.80
(ii) Trainee Apprentices				
First year	202.40	20.40	18.40	241.20
Second year	295.80	20.40	27.80	344.00
Third year	383.80	20.40	35.30	439.50
Fourth year	431.00	20.40	40.10	491.50

TABLE 3**Wage Rates for Adult Apprentices****Building and Construction Industry (State) Award NSW****Carpenters and Joiners and Bricklayers Apprentices, Plasterers Apprentices, Stonemasons Apprentices, Painters Apprentices and Tilelayers Apprentices**

	Base Rate per week \$	Industry Allowance per week \$	Special Allowance per week \$	Total Per Week (Excluding Tool Allowance) \$
(i) Indentured Adult Apprentices				
First year	298.80	20.40	17.10	336.30
Second year	307.20	20.40	25.30	344.50
Third year	353.20	20.40	32.50	406.10
Fourth year	411.40	20.40	38.70	470.50
(ii) Trainee Adult Apprentices				
First year	298.80	20.40	18.40	337.60
Second year	301.40	20.40	27.80	349.60
Third year	387.60	20.40	35.30	443.30
Fourth year	433.20	20.40	40.10	493.70

6.0 Conclusion

- 6.1 Master Builders notes that over 10% of apprentices in training are in the 25-44 age bracket, an encouraging statistic. However, in order to assist mature aged employees, those 45 and over, greater positive incentives, such as a learning bonus, will assist this age group to remain in the building and construction industry, whereas at present the industry finds it difficult to retain this age group.
- 6.2 Overall, the positive messages about the benefits of retaining and retraining mature age workers that is at the heart of the Committee's current inquiry, needs further communication and investment by Government.
